29 December 2021

Global Markets Research

Mid-day Currency Outlook

USD/MYR

Source: Bloomberg, HLBB Global Markets Research

Intraday Thoughts – MYR Neutral

USD/MYR opened little changed at 4.1795 after ending the previous session flat. We are neutral on USD/MYR today, following mixed USD performances overnight, expecting the pair to stay near current levels as the market monitors the global Omicron headlines.

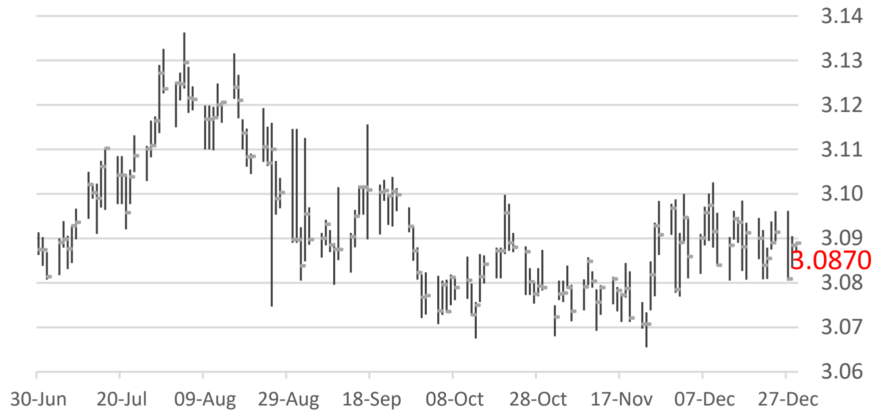
1-Month Outlook – MYR Bullish

We expect the MYR to be relatively resilient in the medium term, taking into account further economic recovery after the government relaxed more Covid-19 related restrictions. This also takes into account our view that the broader USD is also expected to strengthen modestly supported by Fed rate hike expectations and likely outperformance of recovery in the US. That said, the emergence of the Omicron variant could potentially derail the recovery and policy normalization path.

	S2	S1	Indicative	R1	R2
USD/MYR	4.1700	4.1800	4.1825	4.2000	4.2150

MYR Crosses

SGD/MYR



SGD/MYR Neutral

SGD/MYR opened little changed at 3.0874, reaching as high as 3.0894 before retreating to 3.0870 as of writing. We maintain a neutral outlook for the pair on the back of a subdued market and cautious sentiment ahead of the new year, expecting the pair to stay constrained within 3.0800-3.0900.

To	S2	S1	Indicative	R1	R2
SGD/MYR	3.0750	3.0800	3.0870	3.0900	3.0985

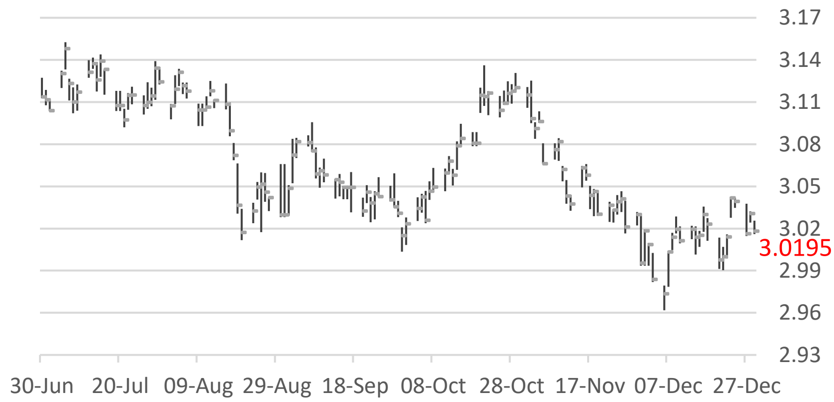
GBP/MYR

GBP/MYR Neutral

GBP/MYR opened 0.1% lower at 5.6159 after the sterling closed little changed against the dollar overnight. GBP/USD failed to maintain 1.3460 level but momentum stays intact above 1.3400. We remain neutral on GBP/MYR, expecting the cross to trade within a tight range of 5.6100-5.6280, barring from any negative headlines from the UK.

	S2	S1	Indicative	R1	R2
GBP/MYR	5.5951	5.6082	5.6163	5.6350	5.6600

AUD/MYR



AUD/MYR Neutral

AUD/MYR opened 0.2% lower at 3.0236 after some modest weakening of the AUD/USD pair in the previous session. Nonetheless, AUD/USD continues to defend the 0.7200 level for the fifth consecutive session amid the lack of direct market catalysts. AUD/MYR is expected to stay supported above 3.0100 in the short term; immediate support is at 3.0150.

	S2	S1	Indicative	R1	R2
AUD/MYR	3.0100	3.0150	3.0195	3.0330	3.0490

Source: Bloomberg, HLBB Global Markets Research

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